

Analysis of CBS' Consumer Expenditure Survey

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Overview

- ▶ The Consumer Expenditure Survey provides rich data for analyzing group-level inflation
- ▶ Contains detailed information on:
 - ▶ Household characteristics
 - ▶ Individual characteristics
 - ▶ Income sources
 - ▶ Expenditure patterns

Key Household Variables

- ▶ Number of persons and providers in the HH
- ▶ Nationality of the HH head (Jewish, Arab, Other)
- ▶ Locality
- ▶ Socioeconomic status
- ▶ Peripherality index
- ▶ Possession of durable goods (e.g. cars, computers) and access to services (e.g. internet, cable TV, central heating)
- ▶ Housing characteristics (e.g. ownership, number of rooms)
- ▶ Income and income sources (e.g. salary, self-employment, investments, benefits)
- ▶ Expenditure patterns (e.g. food, housing, transportation)
- ▶ Education type and level of the HH head
- ▶ Religion and religious observance level

Key Individual Variables

- ▶ Age group (4-year intervals)
- ▶ Marital status and marriage year
- ▶ Immigrated from USSR
- ▶ Immigration year
- ▶ Continent of birth of each parent
- ▶ Education level, school type, last certification type, years of schooling
- ▶ Employment status, occupation, industry, work hours, work weeks
- ▶ Detailed disability status
- ▶ Detailed income sources, including investments and benefits

Expenditure Data

- ▶ Date of purchase, quantity, prices, estimated monthly expenditure per product
- ▶ Packaging type
- ▶ Retailer type
- ▶ Taxes and transfers
- ▶ Savings and investments

Expenditure Data

- ▶ Food (bread and cereals, oils, meat and poultry, fish, dairy and eggs, sugar and related products, soft drinks, alcohol, meals outside home, fruits and vegetables)
- ▶ Housing expenses (water, electricity, gas, maintenance, housekeeping and cleaning, furniture, appliances, beddings and towels, local taxes, repairs, decorations)
- ▶ Clothing and footwear (clothing, footwear, cleaning, accessories)
- ▶ Health (medications, medical services, dental services, health insurance)
- ▶ Education and entertainment (education services, newspapers, books, cultural events, sports, hobbies, vacations, electronics)
- ▶ Transportation (public transportation, private transportation, fuel, maintenance, insurance, flights, mail and delivery, telecommunications)
- ▶ Other expenses (tobacco, cosmetics, law services, jewelry, baggage, charity)

Group Analysis Possibilities

Can analyze inflation differences by:

- ▶ Income levels (deciles)
- ▶ Socioeconomic status of locality
- ▶ Religion and religious observance level
- ▶ Education level
- ▶ Employment status
- ▶ Age group

Methodological Considerations

- ▶ Sample weights available
- ▶ Quarterly data collection
- ▶ Detailed consumption categories
- ▶ Multiple income sources
- ▶ Rich demographic information

Limitations and Considerations

- ▶ Cross-sectional nature of data
- ▶ Need to account for household composition
- ▶ Regional price variations
- ▶ Sampling methodology
- ▶ Response quality